



**2018**

# **State of the City**

**Mayor**

Lisa M. Gillmor

**City Manager**

Deanna J. Santana



# Agenda

- **Welcome**
- **Mayor Lisa Gillmor – State of the City**
- **City Manager Deanna Santana – Fiscal Outlook & Update on Key Initiatives**
- **Questions & Answers**
- **Conclusion**



# STATE OF THE CITY



## Executive Team

- Deanna J. Santana **City Manager**
- Walter Rossmann **Chief Operating Officer**
- Ruth Shikada **Assistant City Manager**
- Nadine Nader **Assistant City Manager**
- Manuel Pineda **Assistant City Manager**





## **Funds of City's Public Entities (\$ millions) – SVP, City, and Stadium Authority**

<b>Budget Type</b>	<b>FY 2018/19</b>
Capital Improvement Program (CIP)	\$83.5
Annual Operating Budget	\$859.5
Santa Clara Stadium Authority (SCSA)	\$196.3
<b>Total Funds Administered</b>	<b>\$1,139.3</b>



# Fiscal Outlook – Key Components

- 1) Outlook:** Understand the Fiscal Future
- 2) Expenditures:** Cost Control & Management
- 3) Reserves:** Savings of One-Time Funds for Qualifying Expenditures
- 4) Revenue:** Growth, Opportunities, and Strategies







# 1) Fiscal Outlook

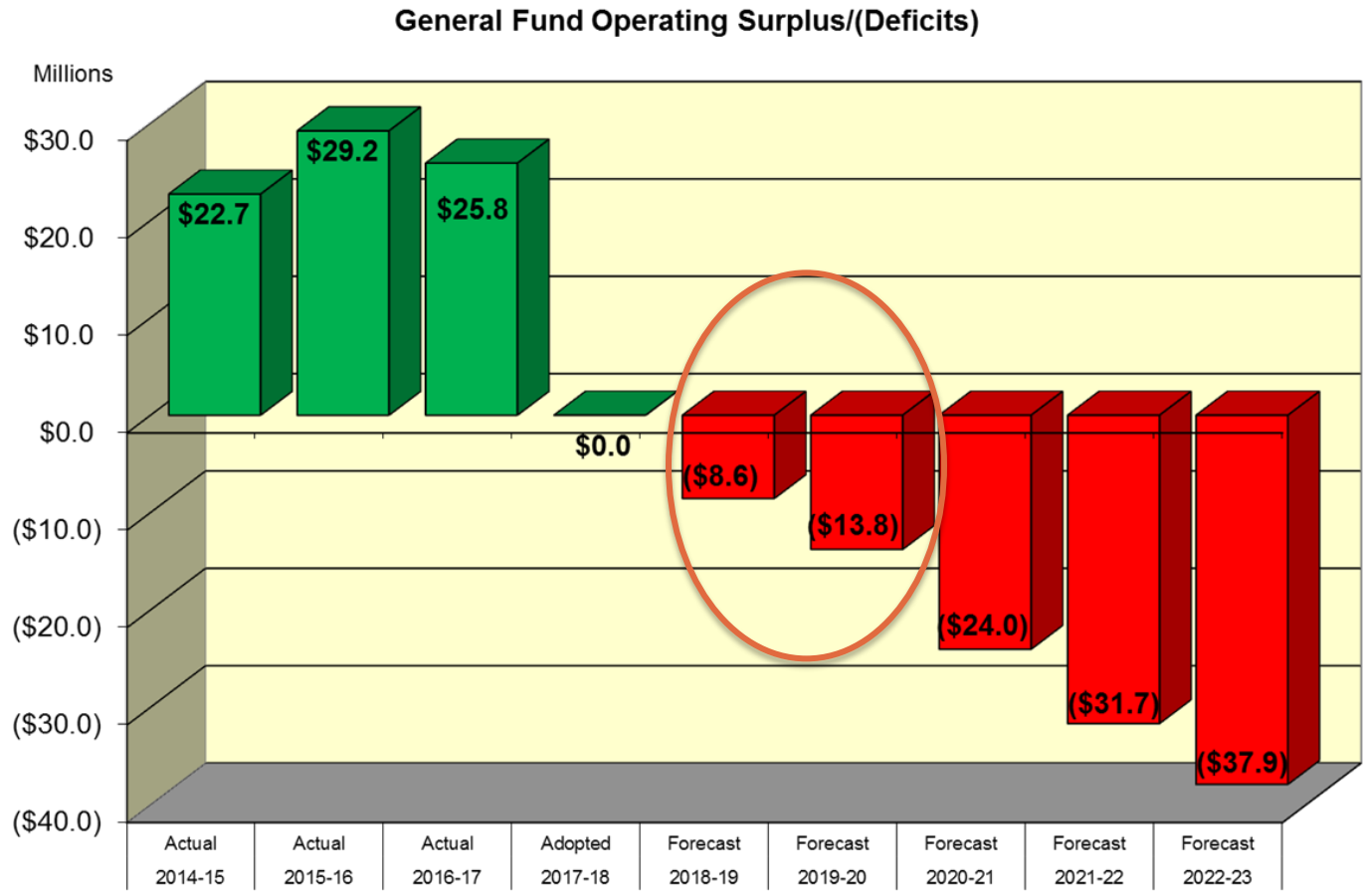
- Understand trend data, make fiscal decisions that are prudent now and in the long term
- Transition to Two-Year Budget, develop longer horizon review of fiscal condition
- Transition from 5 year to 10-Year Financial Plan to help project deficits and surpluses
- Consideration of one-time investments in modern technology to improve efficiencies, transparency, and accountability



# 2018/19 Proposed Budget: General Fund Resources

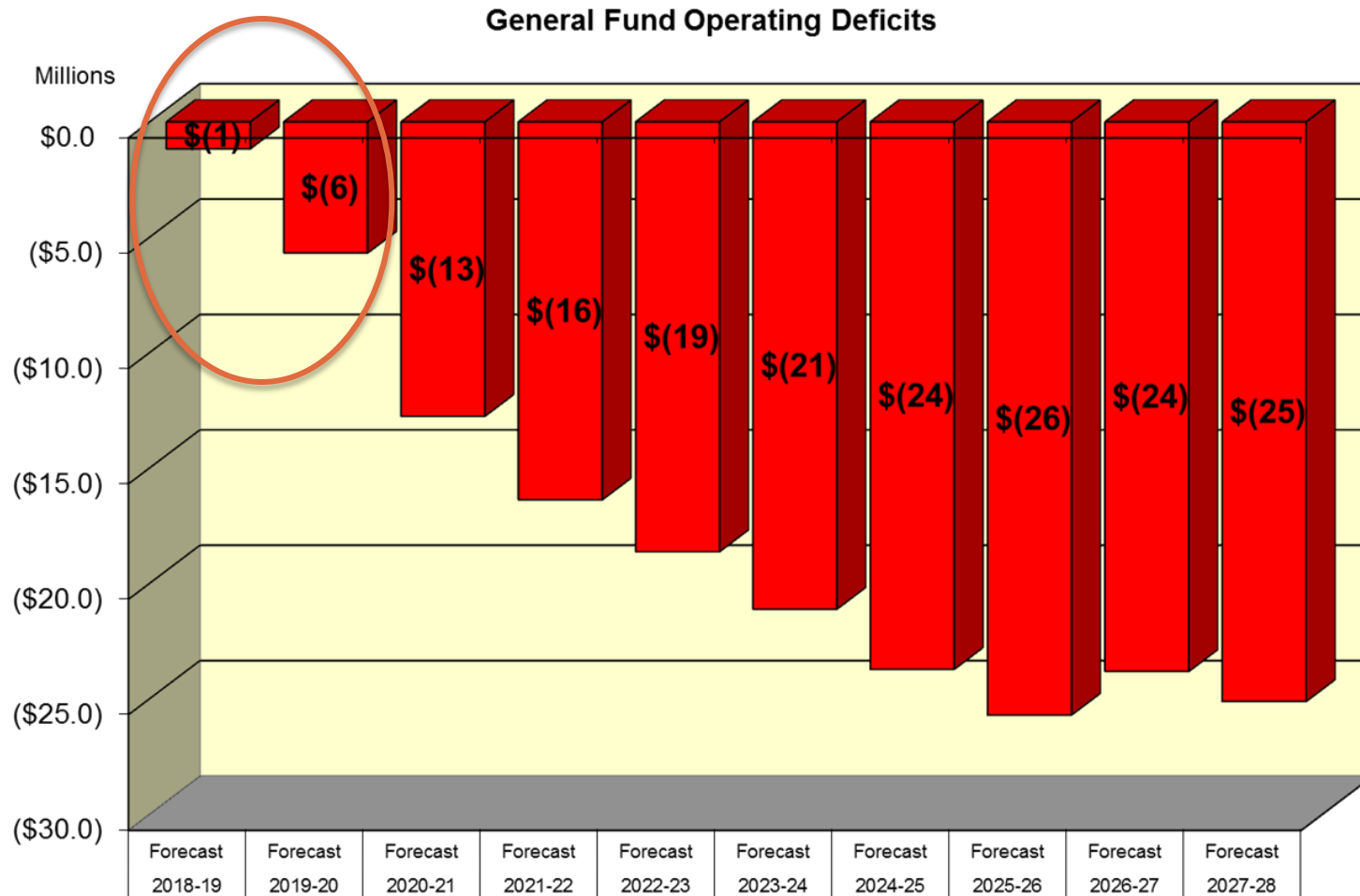
Revenue Source	Stable	Trend	% of General Fund
Sales Tax			23%
Property Tax			24%
Transient Occupancy Tax (TOT)			8%
Total			55%

# 2017/18 **Five-Year** Financial Plan: **\$8.6M Deficit**



Updated to  
include  
2016/17  
Budget  
Surplus

# Ten-Year Financial Plan: \$1M Deficit



- Assumptions include:
- Actual PERS rates for 2018/19
  - Includes revised revenue estimates & salary projections that stay within growth rates
  - Funding of Working Capital Reserve Fund with one-time sources versus ongoing funds





## **2) Expenditure Control & Management**

- \$8.5m to \$1.0m deficit based on more accurate budgeting
- Position eliminations – City Manager, City Council, and Public Works
- Strategic Positions Added – Contract Manager, Public Records Coordinator, and Risk Manager
- Four labor agreements within budget, covering a major portion of workforce
- We continue to end fiscal years with savings to invest in Reserves.



### **3) Reserves/Savings of One-Time Funds**

- Contributions to reserves should be made during strong economy
- City made \$63.3M in contributions this Fiscal Year and is poised to make \$13.9M in October 2018, bringing contributions to **\$77M in a 12 month period**
- Reserves are used/drawn down for:
  - Save/assemble funds for capital projects, technology, etc.
  - Use for unanticipated costs, e.g., grant matches, strategic expenditures, emergency repairs, etc.
  - Use for ongoing expenditures for qualifying events and per Council Policy





### 3) Reserves/Savings of One-Time Funds

Reserve Type	June 2017 Balance	October 2017 Contribution	Increase/ (Decrease)	Proposed Budget Contribution	Total Reserve Balance
General Fund Budget Stabilization	\$50.0	\$6.0	(\$0.9)	\$4.2	\$59.3
General Fund Capital Projects	\$32.8	\$7.0	(\$8.9)	-	\$30.9
Land Sale Reserve	\$39.3	-	(\$10.2) *	-	\$29.1
Building Inspection	\$8.4	\$0.4	\$0.9	-	\$9.7
Special Liability	\$0.5	\$5.4	(\$3.5)	\$3.5	\$5.9
Pension Trust	\$5.0	\$10.5	-	-	\$15.5
Electric Rate Stabilization	\$87.0	\$34.0	-	\$6.2	\$127.2
<b>Total</b>	<b>\$223.0</b>	<b>\$63.3</b>	<b>(\$22.6)</b>	<b>\$13.9</b>	<b>\$277.6</b>

\*loan receivable of \$10.2M from Park Fees



## 4) Revenue Growth/Opportunities

- **CityPlace & Other Developments**
  - ✓ Property tax
  - ✓ Sales tax
  - ✓ Transient Occupancy Tax (Hotel Tax)
- **2018 November Election TENTATIVE**
  - ✓ Cannabis Tax
  - ✓ Infrastructure Bond Measure





# City Place



**City of  
Santa Clara**  
The Center of What's Possible





# City Place – By the Numbers

- 240 acres/9.2M sq ft Total Project
- 5.4M sq ft Office
- 1.1M sq ft Retail
- 1,680 Residential Units
- 700 Hotel Rooms
- 250k sq ft Food and Beverage
- 190k sq ft Entertainment
- Revenue Impact is Under Evaluation –Sales and Property Tax



# Cannibas Tax – Revenue Generation

- ✓ A local cannabis tax measure may generate **\$1.2 to \$2.4 million annually**.
- ✓ Taxing method is to be determined by the City Council in July



# Infrastructure Bond Measure

Recreation	Cost	Notes
ISC/CRC	\$90	Construct new ISC. Upgrade existing CRC with aesthetic improvements. Incorporate new ISC buildings into CRC to maximize space and operations. Any additional funds (such as donations) would be added to project budget for additional amenities.
Parks and Trails	\$50	Develop projects based on sites that are currently considered critical or poor.
Library	\$20	Explore addition to the back area and expand Central library or expand Northside Library - (up to 20,000 SF Addition)

Safety		
Fire Station	\$20	Reconstruct Fire Station 5 (\$10 million) and upgrade (HVAC, roof, plumbing, bathrooms, etc.) fire station 7, 9, and 1 (\$4 million each)
Flood Protection	\$20	Reconstruct 2 year flood pipes and pump stations



# Council Policy Priorities

1. Deliver and Enhance High Quality Efficient Services and Infrastructure
2. Maintain Adequate Staffing Levels
3. Promote and Enhance Economic and Housing Development
4. Enhance Community Sports and Recreational Assets
5. Ensure Compliance with Measure J and Manage Levi's Stadium
6. Enhance Community Engagement and Transparency

# Deliver and Enhance High Quality Efficient Services and Infrastructure

1. **Begin Infrastructure Assessment** (including maintenance element, community space and room availability)
2. **MySantaClara Re-Launch**--Enterprise-wide CRM implementation, records management, and e-discovery systems. Transparency of service request and the status of City addressing them.
3. **Citywide Facility Condition Inventory & Assessments**
4. Roadway priorities for multimodal improvements



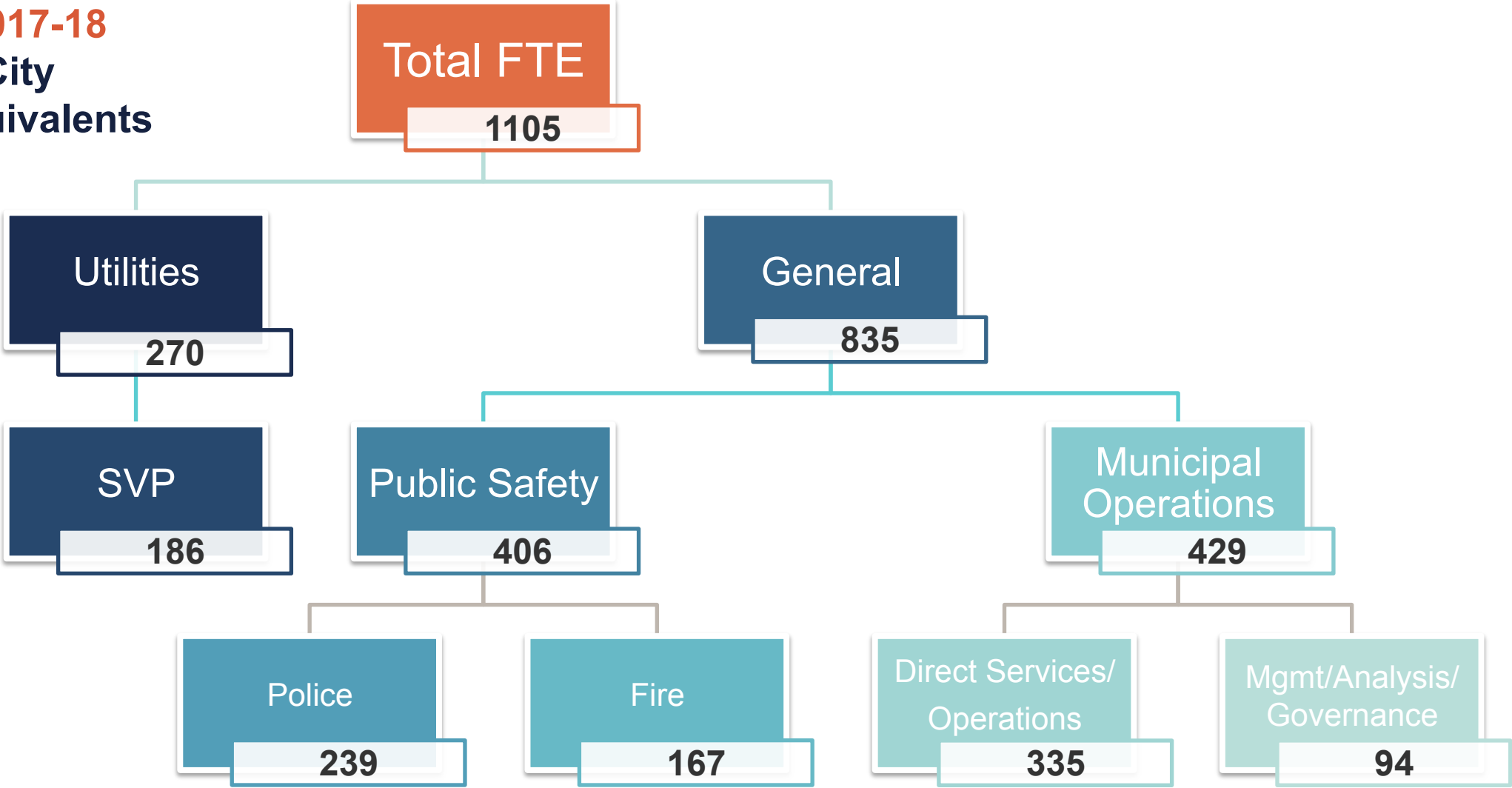




# Maintain Adequate Staffing Levels

1. City's Portfolio vs. Staffing Levels – Needs monitoring, workload is greater than staff capacity
2. Deficit Refinement Saved Dozens of Positions (40-50 positions)
3. Trajectory, without revenue and expenditure solutions, is on a downward trajectory
4. Training and staff development to keep skills sharp and modern

**Fiscal Year 2017-18**  
**Overview of City**  
**Full-Time Equivalents**



**SVP**

**City of Santa Clara**

**Santa Clara  
Stadium Authority**

# Enhance Economic & Housing Development



1. **Specific Plans** for El Camino Real, Lawrence, East Tasman, Patrick Henry and Freedom Circle
2. **Downtown** Revitalization & Precise Plan
3. Next phase of **Santa Clara Square**
4. **Business relations and small business outreach** – North Santa Clara —CityPlace, Yahoo! Site, Cedar Fair, Tasman East







- 5. Affordable Housing Policy,  
Land, and Funding**
- 6. Housing Production** – Multiple  
projects at different stages of  
development
- 7. Launch General Plan Update &  
Robust Community Outreach**







# Enhance Community Sports and Recreational Assets

1. Broke ground for the new **San Tomas and Monroe Neighborhood Park and Community Garden** and Funded **Reed and Grant Streets Sports Park**
2. “**10 Minute Walk to a Park**” National Campaign
3. Proposed Infrastructure Parcel Tax Measure would make a **significant investment in our recreation facilities, International Swim Center, Library expansion, etc.**





# Working towards a grant for an inclusive park with Magical Bridge Foundation







# Santa Clara Book Mobile

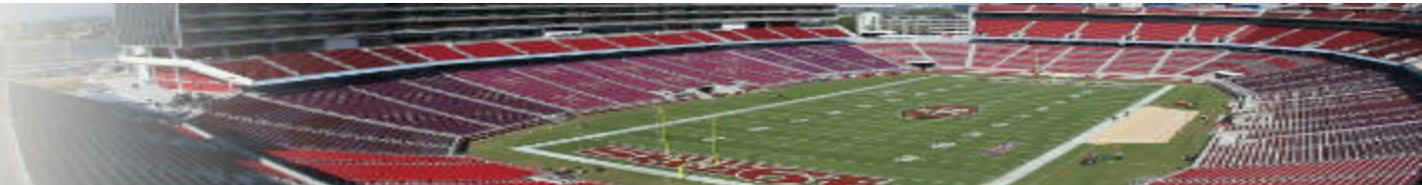




# Ensure Compliance with Measure J and Manage Levi's Stadium

1. **Completed comprehensive audit of Stadium** costs and financial reporting.
2. **Audit**--Established foundation for reforms in fiscal reporting, marketing transparency, performance outcomes, and budget development.
3. Workspace at Stadium to support administrative work, review, and collaboration
4. Set aside \$630,000 for establishing a **community room at the Stadium**
5. Implemented **real-time noise monitoring program**
6. Established **telephone number to receive input from residents**
7. On June 12, presentation on findings of **robust community engagement process on impacts of the Stadium**
8. **College Football Game** – No losses to Stadium Authority or City

Levi's<sup>®</sup> Stadium







# Enhance Community Engagement and Transparency

1. Committed to enhanced community engagement—**City Manager Blog!**
2. Connecting with residents through website, social media, the City newspaper, etc.
3. Transparency in funding local campaigns-**Dark Money Ordinance**
4. Community programs:
  - Leadership Santa Clara
  - Neighborhood Watch
  - Boards & Commissions





# MySantaClara

- Re-launch of the City's app, MySantaClara
- Customer Relations Management System – Service Request Monitoring & Transparency
- Optimization of options and expansion of choices
- Fast, convenient and easy way to connect with City staff





# Working Scholars Program

Flexible, no-cost opportunity for working adults to complete a bachelor's degree







# Protecting the Environment

1. Elimination of coal power as a source of energy
2. Food scrap recycling program
3. Launch of Climate Action Plan
4. Renewable energy program, Santa Clara Green Power, has moved to 100% solar power





## **What's Ahead?**

1. Potential Revenue Measures on November Ballot
2. City Place Activity beginning in late-2019
3. New CAD System for Public Safety & 34 Core IT Projects Underway
4. New Website this Summer/Re-Launch of MySantaClara CRM
5. On-boarding new Councilmembers in November
6. Hosting College Football Playoff Championship
7. Precise Plan for Downtown and Community Engagement
8. Magical Bridge Playground



# City of Santa Clara

The Center of What's Possible

**THANK YOU FOR ATTENDING!**